

**Vermont Department of Education  
Child Nutrition Programs**

**PROCEDURES FOR CONTRACTING WITH A FOOD SERVICE  
MANAGEMENT COMPANY**

**General Information**

Any school food authority that wants to use a Food Service Management Company to manage its food service operations must use a competitive process for procurement of those services. All procurement documents, including contracts, must be approved by the Vermont Department of Education. Please follow the steps outlined below to assure compliance with these requirements.

Before entering into a procurement action, the SFA must identify which procurement method meets its needs most effectively. As of July 1, 2000, Vermont state law permits schools to use any method of bidding or requests for proposals permitted under federal law. The two methods permitted are:

- Competitive Sealed Bids – this process uses an Invitation for Bid (IFB) Competitive Sealed Bids is the best method to use when the SFA wishes to have a fixed-price (lump sum or unit price) contract.
- Competitive Negotiation – this process uses a Request for Proposal (RFP) Competitive Negotiation is effective when the SFA has identified what it expects a management company to accomplish, but has not identified how it will be accomplished.

School Food Authorities (SFAs) are encouraged to plan well in advance in order to complete the bidding and approval process within the following time frames:

Submit the Invitation for Bid or Request for Proposals to the Department for review	Three months prior to the expected start of operations
Advertise Invitation for Bid	Two - three months prior to the expected start of operations
Bid opening	One - two months prior to the expected start of operations
Submit the contract to the Department for review	One month prior to the expected start of operations

## Process

1. Notify the Department of Education, Child Nutrition Programs of the intent of the School Food Authority (SFA) to contract with a food service management company. The Department will provide prototypes for an Invitation for Bid and Contract and for a Request for Proposals and Contract. In addition, the Department will provide the USDA manual, *Contracting with Food Service Management Companies: Guidance for School Food Authorities*, and a list of companies that currently have food service management contracts in Vermont.
2. Review the Department of Education's prototype documents. The prototypes contain a blend of recommended and required provisions. Consult Appendix B of *Contracting with Food Service Management Companies: Guidance for School Food Authorities* for a listing of federally required provisions.

Items in the prototype documents which are in brackets, [ ], indicate that the SFA must select among options, or insert district-specific information, to complete the final document. There are also blanks in the document where the district needs to insert appropriate information.

Design the bid specifications and complete the district-specific areas of the document. SFAs are urged to employ an attorney to draft the IFB or RFP.

3. Submit the IFB or RFP document to the Department for review at least 1 month before the initial advertisement seeking bids and no less than 3 months before the expected start date of operations under this contract. If the SFA uses a format or provisions other than those used in the Department's prototype, submit an explanation for any differences. Include along with the IFB, or RFP, the SFA evaluation plan and scoring system for evaluating the responsibility and capacity of potential contractors and to make a final decision between potential contractors who submit identical, low price bids. (See Chapter 5 of the USDA manual entitled *Contracting with Food Service Management Companies: Guidance for School Food Authorities* for tips on devising evaluation plans and scoring systems.)
4. After the SFA receives approval of the IFB or RFP document from the Department, advertise in accordance with Vermont Law and Department regulations at least 2 months before the expected start of operations. This means that bids or proposals must be sought through written communication that is mailed, personally delivered, published in a newspaper of general circulation and/or printed in a newsletter or trade publication. The written communication need not contain all specifications but may generally describe the goods and services sought and provide information on how further uniform written specifications may be obtained.
5. If more than one company responds to the public advertisement with intentions of submitting a bid or proposal, the school district is encouraged to conduct a Pre-bid/Pre-

proposal Conference for all interested potential contractors to attend two weeks after the last public advertisement. All respondents to the public advertisement must be invited to the Pre-bid/Pre-proposal Conference; however, attendance at the meeting should not be required for submittal of a bid or proposal. The purpose of the Pre-bid/Pre-proposal Conference is to provide information concerning contract performance requirements and to answer questions that prospective offerers may have. Information provided at the meeting either in response to questions submitted prior to the meeting, or at the Conference itself, should not be considered official until provided in writing to all companies that received the IFB or RFP.

6. Management companies must submit bids or proposals by a set date after the Pre-bid/Pre-proposal Conference.
7. If using an Invitation for Bid process, hold a public bid opening no sooner than 30 days after advertising the Invitation for Bid. Once the bids are opened, the name of each bidder and bid price must be recorded. The contract must be awarded to the responsible company whose bid, conforming to all material terms and conditions, is the lowest unless there is a sound, documented, business reason to reject the bid based upon the evaluation plan and scoring system.

If using a Request for Proposal, on the date for opening and evaluating the proposals, each member of the evaluation team should score each proposal independently. Team members should use a pass/fail basis for eliminating unresponsive proposals and then use pre-established scoring system for evaluating the responsive proposals. All of the proposals that meet the predetermined cut off point are forwarded to the individual or team responsible for negotiating with the offerers.

8. Submit a copy of the resulting contract to the Department for approval at least 30 days prior to the expected start date of operations under the contract. If a contract other than the Department's prototype is used, an explanation of the variations must be submitted along with
  - a completed Contract Document Checklist. The completed checklist must indicate the total value of the contract including both the proposed or guaranteed operating budget and all management, administrative and/or service fees and the certification that the contract was not developed by the management company
  - an explanation of the choice of the proposal that was selected and a copy the grading information used
  - a copy of the winning proposal
9. Wait for contract approval by the Department of Education before beginning operations with the management company. The contract must be approved in order for the SFA to receive reimbursement payments.

10. After approval of the contract by the Department of Education, obtain a signature from the management company, then submit a copy of the signature page signed by both the SFA and the management company.
11. If the SFA wishes to renew the contract for the following year
  - the renewal must be completed prior to the expiration date of the contract in force
  - annually, no less than 30 days prior to the expiration of the existing contract, the SFA must submit to the Department:
    - a copy of the minutes of the meeting of the School Board (or other official governing body of the SFA) documenting the vote to renew the contract for another one year term
    - any written amendment(s) to the original contract
    - a copy of the completed Management Company Registration/Data Form for Contract Renewal
  - It is not necessary to submit another copy of the contract that has already been approved along with the renewal information.
  - Note that contracts can be renewed only four times.

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